

APPENDIX C

INTERVIEW GUIDES

C.1 TELEPHONE INTERVIEW

Introduction to phone interview

Hello, my name is interview's first and last name, and I am from Booz·Allen & Hamilton in Virginia. As you already know, we are assisting the United States Government in analyzing the impact of the recently enacted legislation mandating that virtually all Federal Government payments be made electronically by January 1, 1999.

The information that you provide will be very important in helping us to not only understand the current banking industry and the impact of this mandatory legislation on banks becoming EDI capable, but also explore alternative solutions and recommendations regarding the disbursement of payment information to recipients.

Your responses to this interview will be kept completely confidential. All responses will be summarized into a single report. The entire interview should take from 45 minutes to 1 hour. Do you have any questions before we begin?

End of the interview:

I greatly appreciate your taking the time for this interview. Your responses to our questions will be valuable in helping us assess the future of the Government with respect to EDI capability.

Additional notes: (please add on during the interviewing phase)

This legislation covers salary, wage, retirement, vendor, expense reimbursement, and benefit payments. The legislation excludes internal revenue.

C.2 INTERVIEW STRATEGY

C.2.1 Explore current EDI operations

Overview:

- Obtain descriptions of how EDI is currently operating
- Identify key issues/concerns
- ISA/ANSI “standards” used/applied

Examples:

- DoD (established EDI operations)
- GSA
- NASA

C.2.2 Explore the interests of potential EDI organizations

Overview:

- Obtain views on EDI implementation
- Identify the reason that the organization is not currently EDI compliant

Examples: (does not currently have EDI capability)

- Small banks
- Small vendors
- Large vendors (systems that are incompatible with the government)

C.2.3 Explore future EDI capabilities/options

Overview:

- View operational changes based on legislation and industry efforts to become EDI capable
- Discuss alternative ways of getting payment information to payment recipients
- Identify key issues
- Obtain cost estimates

Examples:

- Huntington Bank
- perhaps EDI vendors that have been in this business
- Banking regulator agencies
- future standards
- Internet EDI vendors

C.2.4 Technical Questions

Overview

Obtain answers to technical questions on data formats, standards, ACH, VAN
Determine effect of increased data transmission volume on industry
Discuss short- and long-term solutions/alternatives to transferring payment
information to the vendors

Examples:

Sterling Software
DoD
NACHA

C.3 INTERVIEW QUESTIONS

INTERVIEW GUIDELINE INDEX

Current Banking Industry
Future EDI capability
Impact of mandatory EFT legislation on banks to become EDI capable
Short- and long-term solutions to problems of getting payment information to vendors

INDUSTRY GROUP

Government entities (all federal payments, including social security, veterans, federal
employees' and contractors salaries, pension; excludes Internal Revenue Service)
Banking and financial institutions
Vendors

BACKGROUND INFORMATION

1. Describe your company, including the following:
 - a. Major line(s) of business
 - b. Customer base

CURRENT OPERATIONS

2. Please describe specific operations in which your organization is capable of originating, processing, and passing on payment information to payment recipients, or EDI-capability. Include information on the following:
 - a. Translation software used
 - b. Data security capabilities
3. What does your organization believe are the key issues that should be considered when

implementing and maintaining EDI operations?

4. For organizations currently EDI capable, please discuss:
 - a. When did your organization implement EDI? Under what conditions?
 - b. What key issues were considered when implementing EDI initially?
Note: legislation; cost savings (provide paperless processing); time savings (eliminate data entry or rekeying); speed of transaction; personnel cuts; and customer initiated
 - c. How did your organization address these issues?
 - d. Did your organization make significant changes to its current operation (manual billing, or a billing and invoicing system)?
 - e. What were the initial investments (i.e., upfront costs)?
Notes: hardware—micro/minicomputer, or mainframe; software—EDI software and any other application development required to integrate EDI with other applications, including order processing; training—train employees to change their existing work practices.
 - f. What are the ongoing transaction processing costs?
 - g. Does your organization currently originate and/or receive both EFT and EDI communications? If not, any plans for future implementation? If so, what payment formats are being using?
FOR BANKS ONLY: What remittance formats are available to your customers? (Mainframe/PC transmission, VAN, on-line balance /information system, tape, diskette, paper, other...)
 - h. What do you estimate your monthly EDI transaction volume to be?
 - i. How does your organization currently match incoming remittance data with your current accounting system?
 - k. What were some of the lessons and best practices learned?
 - l. How many “trading partners” do you have?
5. For an organization that is *not* EDI capable, please discuss:
 - a. Has your organization taken a position on implementing EDI? Please explain.
 - b. What key issues are being considered for this implementation?
 - c. How are these issues being addressed by your organization?
 - d. When do you estimate your organization will become EDI capable?
 - e. What do you estimate to be the initial investments and ongoing transaction processing costs?
 - f. What level of EDI implementation is your organization considering?
 - g. What do you estimate your monthly EDI transaction volume to be?
6. Has your organization experienced any issues and/or problems in the following areas:
 - a. Coordination with service vendors?
 - b. Coordination with payment recipients?
 - c. Coordination with government entities?
 - d. Cost effectiveness?
 - e. Data formats?
 - f. Discrepancies or exceptions. Have there been any transactions that failed to post because of missing data or other problems? If so, what is the recourse?

- g. Software/hardware issues (upgrades)?
- h. Remittance data distribution?

FUTURE EDI CAPABILITY

7. The Department of Treasury estimates that by January 1, 1999 there will be an additional 100 million ACH payments in the banking system and an additional 250 million ACH payments by January 1, 2001.
 - a. What do you believe the impact of this volume of payments will be on your organization?
 - b. What will be the impact on large financial institutions?
 - c. What will be the impact on small- and medium-size institutions?
8. When considering the industry's implementation of EDI, what issues and/or concerns should be addressed in the area of:
 - a. Privacy?
 - b. Legally binding internal payment procedures that will require amendments?
 - c. International EDI (payments to Canadian, French, etc., vendors)?
 - d. As the EFT/EDI becomes more defined in terms of data formats and structures, what do you estimate will be additional costs, if any?
 - e. Transmission volume?
 - f. Modification to current accounting/receivable systems?
 - g. What is the minimum amount of information needed for your organization? What fields are necessary?
9. What do you view as short-term solutions to the problem of getting payment information to vendors?
 - a. Software and hardware
 - b. Data formats and transmissions
 - c. Data volume
10. What do you view as the long-term solution of getting payment information to the vendors?
11. What does your organization view as alternatives of getting payment information to payment recipients?
 - a. Internet
 - b. Continue paper remittance data
12. What technical issues should be considered when implementing financial EDI in the future?
 - a. Standardizing data formats
 - b. Providing a cost effectiveness for small businesses

ADDITIONAL INFORMATION

13. Is there anything else you believe we should take into consideration regarding the implementation of financial EDI?
14. Are there any documents we may view regarding your organizations use of financial EDI?
15. Is there anybody else, within your organization, whom we should speak with regarding EDI?
16. Are you willing to participate in a focus group in March aimed at collecting additional information on the topic we discussed today?

C.4 CONFERENCE CALL GUIDE

- We greatly appreciate your taking this time to participate in our conference call. Each of you will provide us with valuable information in addressing electronic data interchange (EDI) and the mandatory EFT '99 legislation passed by the Federal Government.
- As you are aware, we are assisting the United States Government in analyzing the impact of the recently enacted legislation that mandates that virtually all Federal Government payments be made electronically by January 1, 1999. This legislation covers salary, wage, retirement, vendor, expense reimbursement, and benefit payments.
- Before we proceed, I wanted to establish some ground rules. Could you please state your name before you speak so that we know who is talking.
- Does anyone have any questions before we begin?

Questions

- Can you briefly describe your major line of business? Do you consider your company to be small, medium, or large?
- What percentage of your overall business is conducted with the Government? One or several agencies?
- Before our initial phone call, had anyone heard of the mandatory EFT legislation? If so, who informed you (agency) and by what means (enrollment forms, letter)?
- What method is the Government using to pay your company? Paper check, EFT? For those companies being paid by EFT, how do you know when a payment has been deposited into your

account (monthly statement, call the bank)?

- Who is currently EDI capable? How long? Originating and receiving documents?
- What were the initial costs to become EDI capable? What did that cost include (e.g., hardware, software)? Ongoing costs (e.g., software upgrades, training, technical support, or hire additional personnel)?
- What were the key issues when implementing EDI? (e.g., cost-benefit to the company, mandated by another partner, preparation for EFT '99)
- Did you have to make any changes to your current system? (billing)
- Do any of the companies currently use value-added networks? If yes, are you charged per transaction or a flat monthly fee?
- Have there been any discussions with your banks about receiving EFT payments from the Government? If so, did you discuss with the bank how it would provide you the remittance data that is attached to each payment?
- Is your company assessed any fees by the banks for receiving the remittance data that is attached to each payment? If so, how much? Any issues or concerns?
- This question is for those companies that are not EDI capable. Why is your company not EDI capable? What would be an incentive to become EDI capable?
- What could the Government do to get you to become EDI capable? (e.g., provide software, reduce rates, technical assistance or recommendations, EDI education).